

Before the  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

Periodic Reporting  
(USPS Proposal Five)

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Docket No. RM2017-9

PUBLIC REPRESENTATIVE COMMENTS  
(August 16, 2017)

Lawrence Fenster  
Public Representative

901 New York Avenue, NW  
Suite 200  
Washington, D.C. 20268  
202-789-6862  
lawrence.fenster@prc.gov

## I. INTRODUCTION

The United States Postal Service (Postal Service) filed a petition in this docket pursuant to 39 CFR § 3050.11, requesting the Commission initiate an informal rulemaking proceeding to consider determining the share of accrued city carrier costs which should be divided among letter routes and Special Purpose Routes (SPRs) using census data from the Time and Attendance Collection System (TACS) rather than sample data from the In-Office Cost System (IOCS).

## I. SUMMARY OF PUBLIC REPRESENTATIVE'S COMMENTS

The Public Representative reserves judgement regarding its support of the Postal Service's Petition. Provided census data such as TACS, is collected every day for every route, census data should be more representative than one based on sample data, such as the IOCS. The Public Representative considers the improved the accuracy of SPR counts to be convincing evidence of the potential benefits of using TACS rather than IOCS to separate accrued city carry costs among Letter and SPR routes. However, the Public Representative is concerned that several issues of data quality are not fully addressed in this proposal, and<sup>1</sup> reserves judgement regarding support of the Petition until they are addressed.

## II. BACKGROUND

Under currently approved Commission methodology, the Postal Service uses sample data from IOCS to determine the share of accrued costs for letter routes and SPRs. The Postal Service proposes using TACS rings or codes instead of IOCS sampling tallies for this purpose.

### III. Postal Service Argument

The Postal Service contends that data sources based on census data such as TACS, will be more representative and comprehensive than ones based on sample data such as IOCS. See, Petition, at 1. It supports its contention by observing IOCS tallies do not accurately capture the route assignment of city carrier assistants (CCAs).

Specifically, the IOCS does not record CCA activity during a CCA's first four weeks of work. If those weeks occur during a holiday season, where city carriers are more likely to deliver on SPR routes, the currently accepted method will undercount SPR costs. See, Petition, at 2-3. As expected, the adopting the proposal would increase SPR and parcel costs compared to the current method.

The Postal Service also states it has improved the accuracy of the Operation Numbers to which the TACS labor distribution codes (LDCs) are assigned, by tracking Sunday and Customized delivery, and making other improvements. See, Responses Of the United States Postal Service to Questions 1-15, 19-20, and 23 of Chairman's Information Request No. 1 (Responses to CHIR No. 1), August 9, 2017, responses to questions 1a and 19.

#### IV. Public Representative Reserves Judgement On Support of Proposal Five

The Public Representative reserves judgement on supporting Proposal Five until several issues of data quality are addressed. He agrees that a data source based on census data such as TACS should be more representative than one based on sample data such as IOCS. The improved accuracy of the number of SPR routes assigned to CCAs supports the Postal Service's Petition. See, Petition, at 2-3. However, the Public Representative has several concerns based on the Postal Services Responses to CHIR1.

The TACS method has not yet been implemented, so it is important to have a mechanism in place which would allow management to review complicated code and operation classification decisions which will be handled "locally."<sup>2</sup>

- The Public Representative is concerned that Route 99 codes may increase due to a growth in SPR routes. If this occurs, the Postal Service should develop a threshold of share of routes with a 99 code, which defaults to categorizing them as SPR routes. See, Response to CHIR No. 1, question 5.
- The Postal Service noted that using TACS rings identified more SPR routes than had been identified using IOCS. See, Petition at 4, Table 1. The Postal Service also states that "[t]he Postal Service ... attempted to standardize the relation between TACS Codes, Labor Distribution Codes (LDCs) and Operation Numbers, but notes in several places that code and operation classification

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<sup>2</sup> The Postal Service states it attempted to standardize the relation between TACS Codes, Labor Distribution Codes (LDCs) and Operation Numbers, but notes in several places that code and operation classification decisions may be handled locally. See, Responses to CHIR No. 1, responses to questions 1a, and 1b. There may be unforeseen, and possibly complicated, combinations of activity which could be split among LDCs and classification numbers in different ways. The Public Representative recommends the Postal Service establish a mechanism for carriers and managers to report local coding decisions so managers may develop appropriate policies to more accurately categorize new or complicated route activities. The Postal Service should report and include these modifications and/or additions to the Commission in its Annual Compliance Review in I-Forms and the Segment 6&7 B-workpapers, if the impact of these decisions is relatively small. Modifications with larger impacts should be presented to the Commission as proposed changes in periodic reporting.

decisions may be handled locally.” See, Responses to CHIR1, question 1a, and 1b. There may be other combinations of activity which might be split among LDCs and classification numbers which arise during the extensive TACS training See, Response to CHIR No. 1, question 19. The Public Representative believes additional TACS training may be required so managers will be prepared to handle the potentially increasing complexity involving carrier activities on the street.

The Public Representative would fully support this proposal if the Postal Service addresses its concerns about the future handling of “routes 99,” establishes a procedure to handle complicated route activities, and discusses the possible need for greater managerial TACS training.

Respectfully submitted,

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Lawrence Fenster  
Public Representative

Lawrence Fenster  
901 New York Avenue, NW, Suite 200  
Washington, DC 20268-0001  
202-789-6859  
lawrence.fenster@prc.gov